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10 March 1955

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CURRENT INTELLIGENCE WEEKLY SUMMARY



CENTRAL INTELLIGENCE AGENCY

OFFICE OF CURRENT INTELLIGENCE

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THE WEEK IN BRIEF

PART I

OF IMMEDIATE INTEREST

PROSPECTS STILL POOR
FOR CHINA CEASE-FIRE Page 1

25X1 [redacted]
25X1 [redacted]
25X1 [redacted] The area of disagree-
25X1 ment is still wide. [redacted]

CHINESE COMMUNISTS CONTINUE
PREPARING FOR ISLAND ATTACKS Page 2

25X1 The Chinese Communists continue to prepare for
further operations against Chinese Nationalist-held
offshore islands. [redacted]

ISRAELI-ARAB BORDERS
REMAIN TENSE Page 3

25X1 Border incidents between Israel and the Arab
states of Jordan and Syria have continued since the
Israeli attack against the Egyptian army post at Gaza
on 28 February. Israel is reported to have moved
troops, possibly in preparation for enlarged opera-
tions should the Arab states retaliate sharply.
[redacted]

FRENCH COUNCIL WILL PROBABLY
APPROVE PARIS ACCORDS SHORTLY Page 4

Unconditional approval of the Paris agreements
by the French Council of the Republic is still prob-
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to amend, postpone or nullify them. [redacted]

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CURRENT INTELLIGENCE WEEKLY SUMMARY

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PART II

NOTES AND COMMENTS

The Associated States: Vietnam: The sects continue to make trouble in the south; there are reports of an outbreak of fighting between the army and anti-government troops just south of the truce line; in the Viet Minh-controlled area, poor rice harvests threaten a severe famine. Cambodia: The ex-king is postponing his promised "return to the people" and is continuing to act as the ultimate authority in Cambodia. Laos: Reliable reports cite an increase in the military strength of the Pathet Lao. In view of the weakness of the royal forces, there is little prospect that the government would be able to regain control of the northern provinces by military means. [] Page 1 25X1

Transportation Developments in Communist China: Construction work has been reported recently on a new supply route to the East China coast, on the Sino-Soviet railroads being built through Mongolia and Sinkiang, on the Sino-Vietnamese railroad, and on roads in Tibet. [] . Page 2 25X1

Clash over Coal Cartels Threatens European Integration: The refusal of West German mineowners to accept voluntary reorganization of the Ruhr coal sales cartels is a challenge to the European Coal-Steel Community's control over the CSC common market and threatens the basis of Europe's principal supranational organization. [] Page 4 25X1

Condemnation of Hungarian Premier Nagy: The Hungarian central committee resolution condemning Nagy for "rightist deviation" foreshadows a return from new course liberalism to a harder economic policy. The tone of the resolution suggests that unlike Malenkov, Nagy will be not merely demoted but actually purged. [] Page 5 25X1

The Situation in Syria: Instability continues in Syria,

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[REDACTED]

South Korean Hostility to Inspection Teams: The United Nations Command is being forced to deny to the neutral inspection teams in South Korea privileges which are called for in the armistice agreement. This may bring on an indictment of the UN Command which would seriously weaken American efforts to eliminate the teams. [REDACTED] Page 8 25X1

Soviet Campaign against West German Rearmament: There are signs that the USSR now estimates the Paris accords will be ratified. Moscow seems merely to be going through the motions of the anti-ratification campaign while concentrating on plans for disrupting implementation of West German rearmament. [REDACTED] Page 9

Soviet Position at London Disarmament Talks: Gromyko has reverted to the old Soviet demand for an unconditional ban on nuclear weapons and has refused to clarify the relationship between this position and the disarmament plan submitted to the United Nations last fall by Vyshinsky. [REDACTED] Page 10

Malenkov's Position Further Weakened: There have been several indications since his demotion on 8 February that former premier Malenkov's position is deteriorating. [REDACTED] Page 11

Marshal Konev Emerging as Army Spokesman: The apparent emergence of Marshal I. S. Konev as the chief public spokesman within the military hierarchy suggests that he may assume some of the functions of liaison between army and party leaders which Bulganin performed before his elevation from defense minister to premier. [REDACTED] . . Page 11 25X1

Shift in Soviet Foreign Trade Policy: In line with the change in economic emphasis inside the USSR, Soviet trade officials are reducing their commitments to import consumers' goods from Western European countries and from the European Satellites. [REDACTED] Page 12

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Yugoslav Leaders Disturbed by Fall of Malenkov: The top Yugoslav leaders are unhappy about the current situation in Moscow and have become uncertain about future developments, in marked contrast to their assurance during the Malenkov era that Soviet policy had undergone a fundamental change for the better.

Page 13 25X6

Italian Government Crisis Possible: Tension within the Scelba coalition is increasing, and the government may face a confidence vote next week. Scelba could probably survive such a vote by a bare majority, but the dissension within his coalition will continue.

Page 14

Afro-Asian Conference: Communist propaganda on the Afro-Asian conference stresses anticolonialism, coexistence and American "malevolence" and contrasts the "peaceful purposes" of the conference with the "aggressive" Manila pact meeting.

Page 15

Japanese-Soviet Peace Talks: Japan is still awaiting a reply to its note of 23 February to the USSR, which reaffirmed its choice of New York as the site for the proposed talks on re-establishing normal relations. The Japanese, who plan to start negotiations after 1 April, have little expectation that their major demands will be met. The USSR may merely propose an end of the state of war, leaving other issues for later negotiation.

Page 16

Peiping May Be Facing Up to Population Problem: Communist China shows signs of wishing to limit the growth of its population. Before undertaking such an effort, Peiping may attempt to revise orthodox Communist doctrine on population questions to meet special Chinese conditions.

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PART III

PATTERNS AND PERSPECTIVESSOME IMPLICATIONS OF BRITAIN'S NEW DEFENSE POLICY Page 1

The Conservative government's concept of "defense through deterrents" will eventually be reflected in Britain's political and economic policies. The immediate prospect is for an intensification of British diplomatic efforts to reduce international tensions while the West still has nuclear superiority. [REDACTED]

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TURKISH-IRAQI PACT SHAKES MIDDLE EAST Page 3

The ratification of the Turkish-Iraqi defense pact on 26 February has split the Arab League. Egypt and Saudi Arabia are attempting to preserve their claims to Arab leadership by creating a new Arab collective security arrangement, while Turkey has made it clear that it will take a more direct interest in Arab affairs than it has in the past. [REDACTED]

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PLANS FOR REGIONAL BLOC IN SATELLITES Page 5

Meetings and declarations of Czech, East German and Polish officials during the past three months suggest that their governments, on the ground that they are most threatened among all the Satellites by the arming of West Germany, will set up some form of regional military staff or planning group within the Soviet defense system for Eastern Europe. The three countries also have been moving toward closer economic co-operation. [REDACTED]

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ORGANIZATION OF TOP ECHELONS OF THE SOVIET PARTY AND STATE Page 6

All members of the Soviet party presidium except Malenkov now have places on either the Presidium of the Council of Ministers or the Presidium of the USSR Supreme Soviet. The top party leaders thus constitute an interlocking directorate. [REDACTED]

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CURRENT WFTU ACTIVITIES Page 10

In searching for a broad basis on which all labor groups could unite, the Communist World Federation of Trade Unions has shelved the tactic of violent action on political issues and is concentrating on agitation on social and economic grievances of interest to non-Communist labor. [REDACTED]

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PART I

OF IMMEDIATE INTERESTPROSPECTS STILL POOR
FOR CHINA CEASE-FIRE

There is still no apparent prospect of an early cease-fire in the China area.

Soviet, Chinese Communist, British, Indian and Burmese officials are reported to have engaged in private talks on the question, but the area of disagreement is evidently still wide.

There are further indications that Eden and Nehru are developing an approach to all parties based on a Chinese Nationalist withdrawal from all the offshore islands still in Nationalist hands. The plan seems then to envisage a de facto cease-fire as a result, during which conditions would become more favorable for negotiations. The British and Indians would at some point in that period try to induce the Communists to agree to Chinese Nationalist participation in a conference about Formosa.

Communist comment thus far has not encouraged such a plan. Peiping has consistently indicated that it will not recognize the "two China's" concept in any way--such as sitting with the Nationalists in a conference--and Pravda has endorsed this Chinese Communist position.

Moscow and Peiping continue to advance the Soviet proposal for a ten-power conference excluding Nationalist China. A suggestion--that Communist China discuss the situation informally with interested governments--has been made by Burmese premier U Nu.

The Communists may be stalling on all non-Communist proposals for a conference, pending the results of the Afro-Asian conference in Indonesia next month. The Bandung gathering might express sympathy for Peiping's claims both to Nationalist-held territory and to China's seat in the United Nations, and might thus improve Peiping's diplomatic position.

The Chinese Communists would doubtless welcome further Nationalist withdrawals from the offshore islands, but there is no evidence they would then conclude a cease-fire or renounce their claim to Formosa.

On the contrary, Peiping's propaganda has continued to indicate that in any conference the Chinese Communists would persist in demanding the withdrawal of all American forces from the China area.

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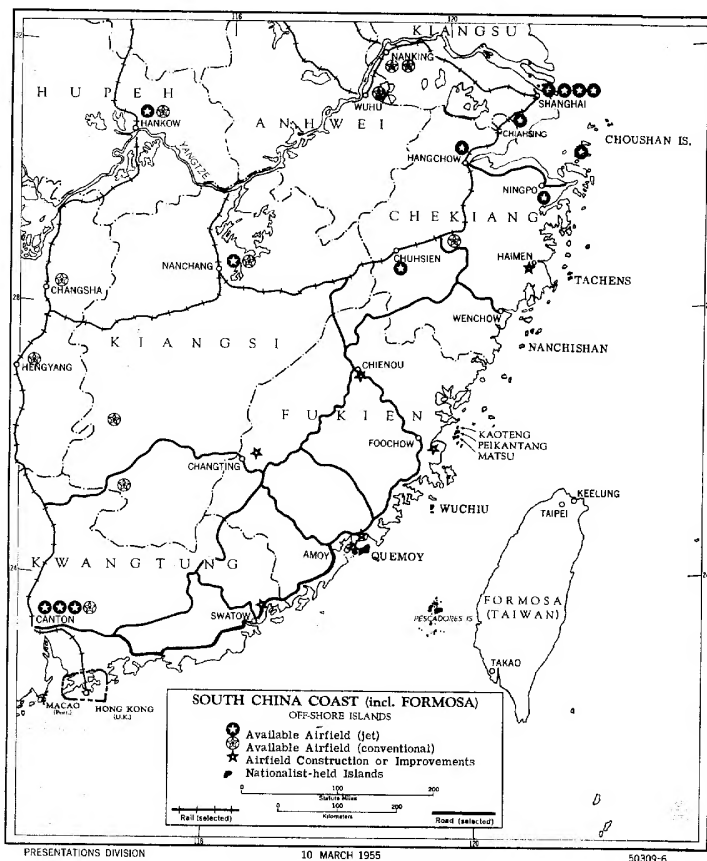
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CHINESE COMMUNISTS CONTINUE
PREPARING FOR ISLAND ATTACKS

The Chinese Communists continue to prepare for further operations against Chinese Nationalist-held offshore islands. There is no reliable indication as to Communist plans for the timing of such attacks.

Major Communist naval and air forces have not yet appeared in the Matsu area. It seems likely, although not certain, that the Communists would want to move such forces into the area before attempting an invasion of the reinforced islands.



Increased naval activity is reported near the Quemoy. The Communists do not seem prepared, however, to attempt an invasion of these islands at this time. As the Nationalist garrison on the Quemoy numbers about 55,000 troops--equal to Communist strength in the area--the Communists would probably move two additional armies, 100,000 troops, into the area before launching a major attack.

The current lull in military activity in the offshore islands area may be due to political as much as to military considerations. For example, the Communists may have been waiting and may continue to wait for a clarification

The Communists are still conducting training exercises and constructing new positions on the mainland opposite the Matsu Island group. They have not attempted to interfere with the Nationalist movement to the Matsus of a full-strength division of 11,000 troops.

tion of American intentions as regards the islands, or for the results of private talks, or for an expression of approval for Peiping's position by the Afro-Asian conference next month.

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An assessment of political factors at this time is entirely conjectural, however, and aggressive Chinese Communist military operations remain

possible at any time. Prior to a major attack, the Communists might well undertake further probing actions against the islands. [REDACTED]

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ISRAELI-ARAB BORDERS
REMAIN TENSE

Border incidents between Israel and the Arab states of Jordan and Syria have continued since the Israeli attack against the Egyptian army post at Gaza on 28 February. Israel is reported to have moved troops, possibly in preparation for enlarged operations should the Arab states retaliate sharply.

While the Gaza area is currently quiet and riots among the Arab refugees have been quelled, Israeli incursions into Jordan and Syria have resulted in at least four Jordanian deaths and in the formal alerting of the Jordanian Arab Legion.

Israeli troop movements toward both Gaza and Jerusalem have been noted and the construction of hasty field fortifications by the Israelis on the Jordanian border have also been reported.

Israel, frustrated in its diplomatic efforts to obtain

defense commitments from Western powers and in retaliation for various anti-Israeli acts by the Egyptian government, apparently planned the aggressive Gaza "episode" partly to bring the whole Arab-Israeli border issue again before the UN Security Council. The council is scheduled to meet on the Gaza incident about 15 March. The continuing border incidents may also be designed as a warning to the Arabs.

Nasr has told the British ambassador that he had a plan--which did not involve the Gaza strip--for retaliating against another Israeli attack.

Another incident on the scale of the Gaza attack would make it very difficult, however, for the Egyptians to refrain from retaliating in force, and Israel might launch a general attack if the Arabs could be provoked into such retaliation. [REDACTED]

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FRENCH COUNCIL WILL PROBABLY
APPROVE PARIS ACCORDS SHORTLY

Unconditional approval of the Paris agreements by the French Council of the Republic is still probable before Easter, but there is increasing pressure to amend, postpone or nullify them.

The American embassy in Paris reports "widespread acceptance of ratification as a practically accomplished fact."

The opposition has stepped up its attacks, however. The Communist campaign against German rearmament is estimated to have intimidated over 10 percent of the senators originally considered favorable to the accords. The campaign is particularly effective now because half of the 320 senators face re-election in June.

Moreover, the senator charged with reporting the bill out of the Foreign Affairs Committee demands that the government give further assurances on such points as the Saar settlement, the Western European Union arms control agency and arms production pool, political development of NATO, and East-West negotiations prospects.

During the past week the question of whether Paris' or Bonn's interpretation of the Saar settlement is to prevail had assumed disturbing proportions, but an economic agreement between France and the Saar now seems close to realization.

Interest in an East-West detente, particularly as a means of avoiding the necessity

for German rearmament, continues to be a major consideration.

Some of the National Assembly deputies who voted for the agreements maintain that they did so only with the hope that ratification could be used as a lever to induce Soviet agreement on general disarmament. There is no longer assurance of an assembly majority for the agreements, and it is possible that Premier Faure might be brought down on another issue, thus causing a long delay in the council debate.

Unless General de Gaulle forces the Faure government to try for four-power talks prior to complete ratification, French hopes for a detente may focus on continuing the current United Nations disarmament subcommittee talks in London as long as the USSR does not break them off.

The French representative at the talks, Jules Moch, a bitter foe of German rearmament, is believed to be painting a much rosier picture of the recently stiffened Soviet position for Paris than is warranted.

Continuation of these disarmament talks into the council debate period would enable the Faure government to argue that ratification is not jeopardizing East-West negotiations. On the other hand, further prolongation of the talks could provide the French with a plausible pretext for seeking delay in implementing the Paris agreements.

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PART II

NOTES AND COMMENTSThe Associated States

Vietnam: The sects continue to make trouble in the south. Difficulty from a different quarter also has developed with fighting between government forces and deserters from a battalion stationed near the truce line in central Vietnam.

This latter development appears to be an echo of the Hinh-Diem dispute of last autumn. A pro-Hinh battalion commander in the area deserted with a number of his troops and a pro-Diem army commander on pacification duty was assigned the task of rounding them up.



Continued fighting at such a distance from Saigon could put a serious drain on the government's resources.

The sects meanwhile are inveighing noisily against the government's "divide-and-rule" policy and hinting at counter-action of one kind or another. The Hoa Hao and the Cao Dai are a constant source of trouble. Their military capabilities, however, are to some extent limited by shortages of ammunition. The better-armed Binh Xuyen is ostensibly "neutral."

Such success as the South Vietnam government has had in narrowing the psychological advantage which the Viet Minh enjoyed at the time of the cease-fire may gain impetus

from the economic difficulties of the Viet Minh.

Past and prospective poor rice harvests in the normally deficient Tonkin area threaten widespread famine. Communist China is only known to have supplied 10,000 tons. This at best would constitute no more than two days' rations for the population.

The government in the south is considering making some of its surplus available for both humanitarian and psychological reasons.

Cambodia: The king, who announced his abdication on 2 March, is postponing his promised "return to the people" and instead is continuing to act as the ultimate authority in Cambodia.

He was present and in obvious charge of a military graduation ceremony on 5 March at which his parents, the present king and queen, were also present. He told Ambassador McClintock on this occasion that he "had arranged" with the palace that negotiations on American military training be expedited.

The ex-monarch may either arrange to return to the throne or he may prefer the role of the power behind the throne.

A decision by the Cambodian government that the elections scheduled for April must be delayed will not set well with the International Control Commission, whose opposition to the king's proposal that the elections be replaced by a referendum on constitutional

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changes played a large part in the king's decision to abdicate.

Laos: [REDACTED]



[REDACTED] there would be little prospect at present of re-establishing royal government

control over the northern provinces by military means. Representatives of the royal government are in northeastern Laos awaiting a resumption of talks with the Viet Minh-backed Pathet Lao.

The Pathet Lao appears to be more concerned with consolidating its position than with reaching any settlement with the government. [REDACTED]

Transportation Developments in Communist China

Construction work has been reported recently on important transportation routes in various areas of Communist China.

A new strategic road was restored last year from Chinhua on the Chekiang-Kiangsi railroad to Wenchow, a port on the south Chekiang coast, near an airfield under construction. Rebuilding of this mountainous road was a major engineering effort, as in early 1953 most bridges were out and the road itself was in poor condition.

Tracklaying on the entire Sino-Mongolian railroad will soon be completed. The last few kilometers of track--inside Mongolia--are now being laid, according to Radio Peiping. This new Sino-Soviet rail link probably will be open to traffic by summer.

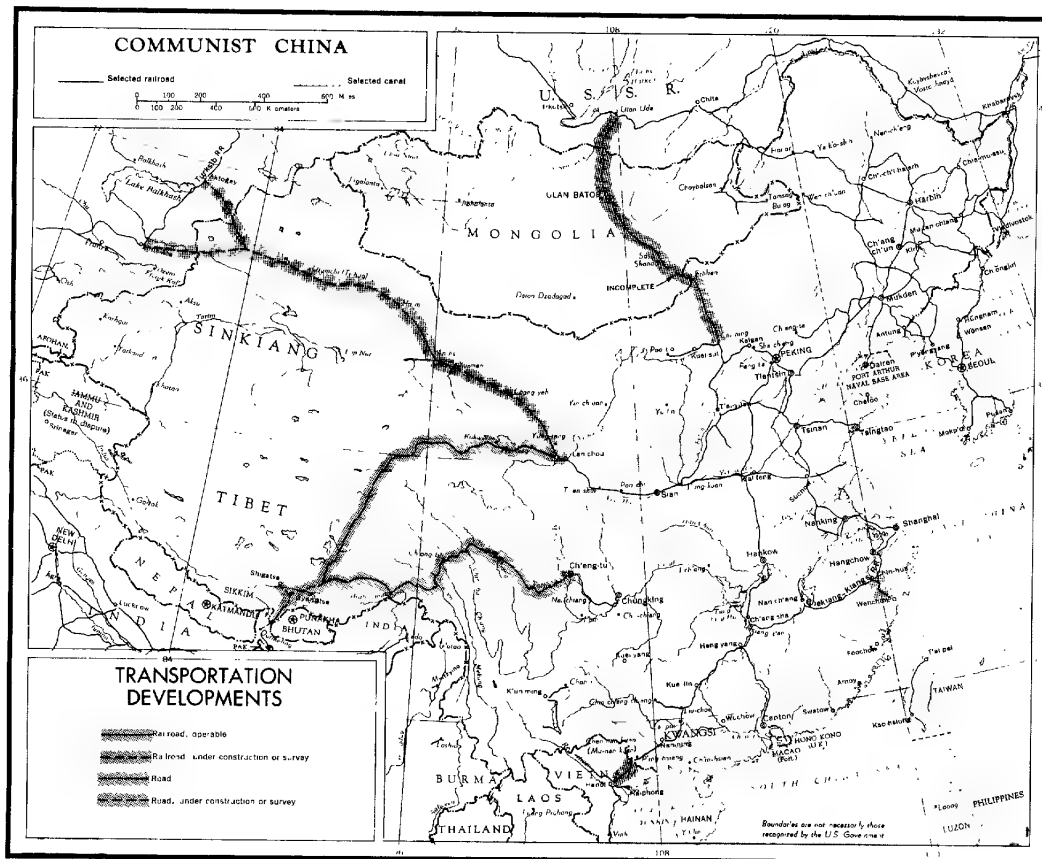
The link will carry a large part of China's trade with the USSR, being 650 miles shorter than the present Moscow-Peiping route through Manchuria. According to the Chinese Communist press, it will also carry a growing volume of Sino-Satellite trade now restricted by the nationalist naval threat.

Two different routes for the Soviet end of the other Sino-Soviet rail link under construction--the one through Sinkiang--are being surveyed, according to Moscow. These routes start from Alma Ata and Aktogai, both on the Turksib railroad. As the Chinese have laid only 217 miles of track on the eastern end of this 2,000-mile railroad, the entire railroad will probably not be in use much before 1960.

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Another international railroad, linking Hanoi with the main Chinese rail net in Kwangsi Province, was opened to traffic on 1 March. Rebuilding of this 100-mile line was started late last year. It will carry most of the growing volume of Sino-Vietnamese trade. According to the Sino-Viet Minh agreement of December 1954, Peiping is to supply equipment for the railroad.

Chinese Communist road-builders in Tibet, having completed two motor roads from China proper to Lhasa in late

1954, are continuing to work toward India,

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Clash Over Coal Cartels
Threatens European Integration

The recent refusal of West German mineowners to accept a proposed reorganization of the Ruhr coal sales agencies may bring to a head the long-dormant problem of cartels in the European Coal-Steel Community (CSC).

Immediately at stake is the interpretation of legal provisions of the CSC treaty and the Community's jurisdiction over the organization of the six-nation common market.

A CSC defeat on anticartel policy could, moreover, have disastrous repercussions on the prospects for European integration under the aegis of a supranational authority of the type the CSC represents.

After temporizing for a year after the establishment of the common market in February 1953, the High Authority in May 1954 issued decisions finding the six Ruhr coal sales agencies, their controlling cartel, GEORG, and the coal cartels in Belgium and France contrary to the CSC treaty.

Early this year, the High Authority presented to the Ruhr mineowners a proposal for the voluntary reorganization of the objectionable cartels. The High Authority privately declared that it intended, in the event this proposal was rejected, to order the liquidation of those cartel arrangements contrary to the treaty, and to announce publicly what kind of a distribution system it was prepared to authorize.

In discussions in late February, industry spokesmen

refused to consider the High Authority's plan or any plan which involved competition in selling coal. They claimed the Bonn government supported this view, and even proposed that the CSC treaty should be amended accordingly. In view of the defeat of EDC, they argued, the West German government is no longer "politically required" to implement the CSC treaty in its present text.

Reportedly "greatly shocked" by the German attitude, the High Authority has advised American observers in Luxembourg that it fears the mineowners' resistance can be overcome only by the "strongest political pressure."

Such pressure, the High Authority apparently expects, might be effective if applied by Chancellor Adenauer, whose government has little interest in anticartel measures, but who, as a good "European," has staunchly supported the CSC.

Other support may also be forthcoming from labor, from the CSC Common Assembly, and from the other CSC governments which might be willing to gang up first on the Ruhr.

In bidding for such support, however, the High Authority will be running a major risk. A public defense of its modest proposal would leave little room for maneuvering, and a defeat for the High Authority would greatly encourage those who doubt the practicability of European union in general, and the CSC approach to it in particular.

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Condemnation of
Hungarian Premier Nagy

The Hungarian central committee resolution condemning Premier Imre Nagy for "rightist, anti-Marxist deviation" is the culmination of a series of recent efforts to restore unity and discipline within the party and to restrict new course liberalism.

Although the resolution reiterates the party's belief in the correctness of the new course policies adopted in June 1953, its emphasis on the stagnation of the economy since that time and the vehemence of its attacks on right-wing deviation point toward a harder policy in the future.

Since the regime in Hungary is generally inclined to carry Moscow's directives to extremes, it may now return to a more doctrinaire policy than the rest of the Orbit.

The central committee specifically attacks Premier Nagy for his "rightist, anti-Marxist, antiparty and opportunist views." This suggests that, unlike Malenkov, Nagy will be not merely demoted but actually purged.

Nagy is blamed for weakening the political leadership of the party in the mass organizations, particularly by developing a semiautonomous Patriotic People's Front and by attempting to decentralize political controls.

It is on precisely these grounds that a split is believed to have developed between Rakosi and Nagy since June 1953, when Nagy became premier undoubtedly on Rakosi's nomination.

Although Rakosi almost certainly supported the basic new course policy, it appears that Nagy gradually developed the thesis that still greater economic concessions must be made to the peasants if agricultural production was to be significantly increased and that the party should decentralize controls and develop more liberalism.

Immediately following the central committee meeting in early October which strongly reaffirmed the new course liberal policies, Rakosi departed for a two-month visit to the USSR without endorsing or publicly supporting the central committee decisions.

Upon his return in late November, he resumed his primary role in the party, and it has been apparent since early January that the new course in Hungary was being modified.

It now appears possible that Rakosi went to Moscow to set forth his opposition to the extremes to which the new course policies had been carried. The example of the problems created in Hungary may have given substance to the arguments of the Soviet leaders who opposed the Malenkov policies.

The new program probably will mean that no new major concessions will be granted and that greater labor discipline will be enforced, that increasing pressure will be placed on independent farmers to join collective farms, and that more economic resources will

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be allocated to heavy industry in the name of strengthening Hungary's defense against an allegedly aggressive West.

The regime announced on 19 February that Nagy had suffered a heart attack and would be unable to resume his official duties until April. His replacement probably will be announced very shortly.

A logical successor would be Mihaly Farkas, a former minister of defense, who re-

portedly worked with Rakosi in Moscow during the war years on the Hungarian section of the Comintern.

Farkas was removed from his government position at the time the new course was announced, but he has remained as the fourth ranking member of the party political committee and as a central committee secretary under Rakosi. He is reported to have accompanied Rakosi on a quick trip to Moscow in early February. 25X1

The Situation in Syria

Instability continues in Syria

They demonstrated their power recently when they forced parliament, by intimidation and a threat of military action, to give the Asali cabinet a vote of confidence.

Syrian conservatives feel capable of upsetting Asali by parliamentary means but fear that Shuqayr would swiftly retaliate by installing an even more leftist cabinet. The conservatives are not likely, however, to put up indefinitely with the current swing to the left.

The extremist Arab Socialist-Resurrectionist Party already holds three key army positions, including that of head of personnel.

These elements may be hurried into action by the efforts of Azm and Shuqayr, at Egyptian and Saudi Arabia bidding, to align Syria in a new and anti-Iraqi defense pact. 25X1

American army reports indicate that up to 40 percent of the younger officers are Arab Socialist adherents.

The Arab Socialists and Chief of Staff Shuqayr, along with the Communists, are opportunistically leagued behind Foreign Minister Khalid al Azm.

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South Korean Hostility
to Inspection Teams

There is a possibility that the Neutral Nations Supervisory Commission (NNSC) may indict the United Nations Command for failure to grant the truce inspection teams the freedom of movement, privileges and immunities called for under the armistice agreement.

Renewed South Korean antagonism and threats of violence against the teams are causing the UN Command to tighten its already stringent security measures to protect them, and the Swiss and Swedes are reported becoming restive and possibly less sympathetic to the American desire to eliminate the inspection teams.

The Communists, meanwhile, are taking advantage of the situation by granting the teams in the north relative freedom of movement and comparatively luxurious accommodations.

They also permitted neutral nations inspectors to observe the departure from Korea of 55,000 Chinese troops between 19 and 27 February. This movement was expected to continue into March, possibly involving two armies. This would reduce the remaining Chinese armies in Korea to seven, from a high of 19 at the time of the armistice. •

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Although the Communists are making a show of co-operation to reinforce their position that the teams must be continued, there is ample evidence that they are taking measures to conceal their own armistice violations.

The NNSC decided on 26 February to inspect six North Korean airfields in response to a UN Command charge that North Korea had violated the armistice by introducing jet fighters, which were not operationally based within the country at the time of the cease-fire.

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Soviet Campaign against West German Rearmament

There are signs that the USSR now estimates the Paris accords will be ratified and is concentrating its interest on the prospects for disrupting the carrying out of West German rearmament.

Moscow seems merely to be going through the motions of the antiratification campaign, which has become routine and unimaginative. The Soviet note to London on 28 February was simply a repetition of Moscow's threat to abrogate the treaty with Britain and probably foreshadowed a similar repeated threat to France when the French upper chamber considers the Paris accords.

Instead, Soviet propaganda has begun for the first time to place significant emphasis on the difficulties of implementation. An Izvestia article noted recently, for example, that a two-thirds vote will be required in the Bundestag for the passage of constitutional laws essential for rearmament.

The East German legislative proposal on 2 March for an all-German plebiscite to choose between "reunification through free, all-German elections" and the "Paris war agreements" was little more

than a reiteration of a proposal which led to a similar referendum in East Germany last June.

The additional proposals for superficially democratic safeguards and international supervision for such a plebiscite proved inadequate to arouse enthusiasm among any of the non-Communist parties of West Germany. American officials in Berlin doubt that the Communists expected any immediate success from this offer and assume that it was intended primarily for post-ratification use.

East German deputy premier Ulbricht, in a speech on 5 March, flatly stated that the East-West German frontier should not be closed and demanded the "very opposite of this policy," including the exchange of delegations, increased trade, and attempts to bring East and West Germans to the conference table.

This marks a shift from the Communist line--aimed at preventing Bundestag approval of the accords--which Grotewohl had enunciated when he warned that the zonal border would become a "state frontier."

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Soviet Position
at London Disarmament Talks

During the first week of the United Nations disarmament subcommittee's secret talks in London, which began on 25 February, Gromyko took a wholly negative position.

The new Soviet proposals and Gromyko's tactics appear to add up to a reversion to the old demand for an unconditional prohibition of nuclear weapons by mere declaration without controls or limitations on manufacture and without any conventional disarmament.

The contrast between this adamant position in the secret talks and Vyshinsky's proposals to the United Nations last fall provides new evidence that the latter were designed primarily to offer the French an alternative to German rearmament after the defeat of EDC. Last fall's proposals apparently did not represent any change in Moscow's fundamental opposition to any form of effective international disarmament inspection and control.

On the first day of the London conference, Gromyko introduced a resolution which merely reiterated the main points of the Soviet government's public statement of 18 February. The statement proposed destruction of all present stocks of atomic and

hydrogen weapons and utilization of atomic materials solely for peaceful purposes; freezing armed forces and armaments at the level of 1 January 1955, and military budgets at the level of 1955 budget allocations; establishment of "appropriate" international control over the observance of these undertakings; and a world conference in 1955 on the reduction of armaments and outlawing of atomic weapons.

When the Western delegates attempted to induce him to clarify the relationship between this resolution and the conciliatory Soviet proposals of 30 September, Gromyko replied with what Ambassador Lodge described as a "mass of evasions adding up to a total negative."

Moscow probably will continue to proclaim its desire for immediate action on the basis of its 18 February proposals and to condemn the West for moving toward West German rearmament and greater reliance on nuclear weapons, while discussing disarmament.

Gromyko's principal objective at London apparently will be to force the Western powers to bear the responsibility for breaking off the talks.

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Malenkov's Position
Further Weakened

There have been several indications recently that former premier Malenkov's position is deteriorating.

The most recent of these appeared in a denunciation by

Pravda on 5 March of assertions that a third world war would mean the "destruction of world civilization." Malenkov has been the only top Soviet leader ever to voice this line. Pravda now claims such

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utterances are politically harmful and "theoretically erroneous" and "play into the hands of the imperialists."

Another indication appeared in the dismissal early in March of Minister of State Farms Kozlov and the transfer of Minister of Agriculture Benediktov to the position of minister of state farms.

These changes, coming almost immediately after Malenkov's removal and following extensive criticism of the

agricultural ministers by Khrushchev, also suggest that Malenkov may be blamed for not correcting the ministers' alleged shortcomings even after they were brought to light by both the party secretary and the central committee.

Finally, the appointment of three new first deputy premiers had the effect of further down-grading Malenkov's government position in relation to the other members of the party presidium.

25X1

Marshal Konev Emerging as Army Spokesman

The recent choice of Marshal I. S. Konev to issue major statements at important political and military functions suggests that he is emerging as the chief public spokesman within the top military hierarchy.

According to recent Moscow rumors, Marshal Konev may soon be appointed to the position of first deputy defense minister for army affairs, the job recently vacated by Marshal Zhukov.

Konev, who is still believed to be commander of the Carpathian Military District, was chosen to write the Pravda article for Armed Forces Day on 23 February 1955. This assignment is customarily given to the chief of the main political administration of the military ministry. On 9 February at the Supreme Soviet session he was the only military figure who participated in the foreign policy debate.

Although Konev has been stationed out of Moscow since 1952 as a military district commander in the Ukraine, he has been involved in major political developments several times during the past two years. He was named as a "doctors' plot" victim in January 1953; he reportedly took part with Zhukov and Bulganin in the arrest of Beria in June 1953; and he served as chairman of the special session of the Supreme Court which tried Beria and his associates.

With Bulganin's promotion to premier, and subsequent replacement as defense minister by Zhukov, the top military post has been assumed by a professional soldier who is primarily an operations man.

Bulganin will continue to be the principal representative of the armed services in the party presidium, but his duties as premier will limit the

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attention he can devote to military matters.

Konev, who is both a respected professional soldier and a party central committee member of long standing, may assume some of Bulganin's

functions as liaison between army and party leaders. This may be especially true because of his previous close associations with both Defense Minister Zhukov and Party First Secretary Khrushchev.

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Shift in Soviet
Foreign Trade Policy

In line with the change in economic emphasis inside the USSR, Soviet trade officials are reducing their commitments to import consumers' goods from many Western European countries.

In two cases--a contract for British textiles and an agreed quota for Finnish prefabricated housing--they have reneged on commitments already made.

There is evidence of recent Soviet action to decrease import commitments, at least to some extent, from the United Kingdom, Finland, Sweden, Switzerland, France and Belgium. Soviet officials, moreover, have delayed unusually long in beginning negotiations for 1955 trade protocols with Sweden, Belgium, Norway and Italy.

Imports from the West had begun to decline during the last half of 1954 as a result of continuing Soviet difficulties in marketing exports. Faced with this limiting factor on the total volume of imports obtainable and in keeping with the renewed emphasis on the expansion of heavy industry, Soviet policy makers apparently decided on a further cutback in imports of consumers' goods.

The present action contrasts with Soviet trade policy under the new course, which resulted in a substantial increase in imports of consumers' goods and a total rise in imports from the non-Communist world of more than 50 percent from mid-1953 to mid-1954.

There have also been reports that the USSR is cutting back imports of consumers' goods from some of the European Satellites. Fewer consumers' goods items are specifically mentioned in the announcements of trade agreements for 1955 concluded between the USSR and four of the Satellites. The 1955 announcements also failed to state that a "further increase" in trade is called for, a phrase which had invariably been used in describing agreements since the end of the war.

The primary Soviet motivation in reducing procurement of consumers' goods from both the Satellites and Western countries is economic. The USSR is also attempting, however, to exert political pressure in the West by threatening Western business firms with the cessation of Soviet orders should the Paris accords be ratified. [] (Concurred in by ORR)

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Yugoslav Leaders Disturbed
by Fall of Malenkov

Ambassador Riddleberger has noted from recent conversations with Yugoslavia's top leaders that these officials are unhappy over the changes in Soviet leadership.

There is a marked contrast, he observes, between their former assurance that Soviet policy had undergone "fundamental changes," favorable to Belgrade and to East-West rapprochement, and their present uncertainty about Moscow's course.

The Yugoslavs regard the conflict in the Kremlin as confirmation, however, of their earlier estimate that a policy change had in fact taken place.

Vice President Kardelj told Riddleberger, "We should not be discouraged and we should wait and see what the deeds of the USSR will be." He admitted, however, that the Malenkov-Khrushchev affair was a "setback."

Possibly worried about future Soviet aggressive actions, Kardelj pressed strongly for Western ratification of Western European Union, stating that failure to ratify would encourage elements in the USSR who back a "tough" policy.

Foreign Secretary Popovic later expressed these same views. He said that recent events in the USSR were not encouraging and that they reflected only a compromise solution to the problems of Soviet leadership.

Belgrade probably is afraid that the recent shifts in Moscow may foreshadow the end of the conciliatory policy toward Yugoslavia which has enabled Tito's regime to improve considerably its economic and political bargaining position between East and West.

Ambassador Riddleberger believes it likely that Tito will now re-evaluate his country's international position.

There is a possible indication of this in Tito's foreign policy speech to the Yugoslav parliament on 7 March in which he adopted a somewhat harsher tone than previously concerning Soviet "normalization" of relations with Yugoslavia. Tito commented that this process had been arrested halfway and specifically attacked a recent statement by Molotov that further "normalization" depended at least as much on Belgrade as on Moscow.

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Italian Government
Crisis Possible

Tension within the Scelba coalition has risen sharply in recent weeks and an Italian government crisis could develop at any time. Some observers are already predicting the government will fall during the week of 13 March when it formally requests postponement of parliamentary debate on the controversial agrarian contracts issue until after the Easter recess.

At present, however, it still appears that Scelba could survive a confidence vote on this issue, though by the barest majority.

Discontented Christian Democratic elements may be

planning to revive the Montesi case now in order to direct an attack against Scelba for his connection with it as minister of interior.

If the premier can stave off a crisis now, he will probably be able to last until May, when the government is required to resign following the presidential election.

The four-party coalition has been held together so far mainly because none of the small center parties participating in it has been willing to upset the government. However, the government's failure to enact projected social and economic reforms

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is alienating left-center elements within the coalition, while right-center elements are threatening to quit the cabinet because such reforms are contemplated.

To secure his government's continuation in office now and its reorganization after the presidential election, Scelba is seeking a success in foreign affairs.

Recent Italian proposals, which will probably be repeated

during Scelba's Washington visit at the end of March, reveal the government's interest in substituting a general East-West disarmament conference for new Big-Four talks.

Scelba probably feels that if he can offer prospects for Italian participation in the formulation of Western policy or new promises of support from Washington, he would increase his prestige and improve his prospects.

25X1

Afro-Asian Conference

Communist propaganda on the Afro-Asian conference has been increasing and will undoubtedly be further intensified as the opening day approaches.

Moscow, Peiping and Hanoi have been stressing anti-colonialism, coexistence and American "malevolence" in their current output concerning the Bandung meeting. They have particularly sought to contrast its "peaceful purposes" with the Manila pact meeting in Bangkok which Communist propagandists have described as a "meeting of bloodthirsty pirates" led by the United States bent on suppressing "national liberation movements."

A Communist-inspired "Asian Conference for Easing International Tensions," which will be attended by "large" delegations from the USSR, Communist China, North Korea and North Vietnam, is scheduled to be held in New Delhi only a few days before the Bandung meeting convenes.

Although there are no direct connections between the two, the Communists at Delhi will probably take the opportunity to set the tune of their propaganda at the Afro-Asian conference. Their task is simplified by the similarity of the two agendas, especially since the "five principles" occupy prominent places on both.

Meanwhile, it has been reported that the sponsoring powers of the Bandung conference have decided that Premier Ali of Indonesia will be chairman and that he will be assisted by four deputies representing the other Colombo powers.

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The main work of the conference is to be conducted by five committees--political, economic, social-cultural,

drafting, and agenda-steering--each under the chairmanship of a Colombo power representative.

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Japanese-Soviet Peace Talks

Japan is still awaiting a reply to its note of 23 February to the USSR which reaffirmed its choice of New York as the site for the proposed talks on re-establishing normal relations. The Japanese, who plan to start negotiations after 1 April, have little expectation that their major demands will be met.

With Prime Minister Hatoyama committed to seeking a settlement, the USSR has set the stage for a proposal to end the state of war and resume diplomatic relations without satisfying Japanese grievances or meeting territorial demands.

"Normalization" would enable the Communists to increase economic and cultural exchanges and eventually to improve their capability to influence Japan's political orientation.

Tokyo will push for the return of Shikotan and the Habomais, and will also ask for the southern Kurils.

Japan reportedly will further ask for the following: Soviet support of Japan's candidacy for UN membership; approval of Japanese fishing rights off Kamchatka up to the 12-mile limit, as stipulated by Soviet maritime law, instead of the 30-mile limit imposed at present; noninterference in internal affairs; and repatriation of nationals still detained in the USSR. There are

10,000 to 12,000 of these prisoners, according to Tokyo, and about 1,200 according to Moscow.

The USSR is in a strong bargaining position and probably does not feel any need to meet Japan's major demands.

A Japanese Foreign Ministry spokesman has stated that "no thinking Japanese" expects a satisfactory outcome to the negotiations.

The Japanese position may be further weakened if Hatoyama carries out his intention to name Arata Sugihara to head Japan's delegation. Sugihara has inspired the current program for a rapprochement with the Orbit, and probably would pay a bigger price for a settlement than would the career Foreign Ministry officials.

Foreign Ministry career men are extremely doubtful that Moscow will make any territorial concessions. The Habomais and Shikotan have been garrisoned by Soviet forces since the end of World War II.

Ministry officials also admit that they have little expectation of regaining the Kurils, which flank the northern sea and air routes to Japan. This island chain, occupied by Soviet armed forces, is claimed by Moscow under the Yalta agreement.

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The USSR may not oppose the expected request regarding fishing rights off Kamchatka and probably will not object

to a statement promising not to interfere in Japan's internal affairs.

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Peiping May be Facing Up
to Population Problem

Recent articles in the Chinese Communist press state that some limitation on population growth in China may be desirable. These articles appear to conflict with the orthodox Communist view that poverty is simply a characteristic of "pre-Socialist" forms of social organization.

So far, the new thesis has been advanced only tentatively, and only by a non-Communist official, Shao Li-tzu, but his statements are at least condoned by Chinese Communist authorities, as they have appeared in authoritative Peiping journals.

Shao's most recent article disclosed that the Ministry of Health has drawn up measures for consideration by the government concerning "improvement in the problems of contraception and birth control."

Shao insisted he was not advocating "neo-Malthusianism," but did state "there might be some reduction in population," with a decline in quantity being made up by an advance in quality.

These views appear to conflict with the historical Chinese Communist Party line--stated as recently as 1 November 1954 in the party's official People's Daily--that China's huge population is its most important asset. This line was expressed in comment on the regime's first census, which claimed a mainland population of 582,000,000, a figure higher by about 100,000,000 than the previously accepted estimates.

Peiping's official line, in the past, had always been consistent with the Soviet view, currently expressed in an article in the 25 February issue of the Cominform journal. The article denounced "neo-Malthusianism" and praised the alleged success of Communist China in raising food output at a faster rate than the population increased.

However, Peiping's own food output and population data show that the Chinese Communists have not been successful in this respect during the past three years. Furthermore, Peiping plans during the next few years to invest only limited amounts in machinery and fertilizer for expanding agricultural output, and to concentrate investment instead in industrial development and military modernization.

Peiping appears to be recognizing belatedly that population pressure on resources is a problem in China. The Chinese do not seem prepared to admit however, that this has been China's major internal problem for centuries.

Before adopting an energetic program of birth control, even in limited areas, Peiping may make some effort to revise Communist doctrine. This could be explained by the Chinese, and accepted by Moscow, in the same way as certain Chinese Communist tactics in the past--namely, as "adaptations" of Marxism-Leninism to special Chinese conditions.

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PART III

PATTERNS AND PERSPECTIVESSOME IMPLICATIONS OF BRITAIN'S NEW DEFENSE POLICY

Prime Minister Churchill's presentation on 1 March of the Conservative government's concept of "defense through deterrents" suggests that the revolution in British military strategy which this concept represents will eventually be reflected in corresponding adjustments in political and economic policies.

The immediate prospect is for "urgent diplomatic action" while the West enjoys nuclear superiority and the British Isles are relatively defenseless against atomic and ballistic missiles attack.

For the moment, the Communist threat to the West is, according to the British, one of subversion and of limited aggression, as in Korea and Indochina. The estimates that from 5 to 15 H-bombs could paralyze the British Isles are estimates of the future threat. British diplomacy will be aimed at reducing international tensions during the time required to create defenses against this threat.

The broad outlines of Britain's defense policy are set forth fully for the first time in the government's defense estimates for the fiscal year beginning 1 April. The abolition of the Antiaircraft Command as such materially reduces the defense of British ports, airfields, and industrial installations.

The Royal Air Force has assumed sole responsibility for air defense and is now charged with the development of weapons capable of meeting a nuclear attack by high-altitude bombers or by guided or ballistic rockets.

The other two military services are also entering a transitional stage based on the calculation that a respite of three or four years will permit the development and production of weapons and techniques required for nuclear warfare.

The Royal Navy is saddled with the missions of providing a striking force, like the one pledged to NATO, and of keeping the supply lines to the United Kingdom open.

The Royal Air Force is beginning to build a strategic bomber force capable of delivering nuclear bombs. As development proceeds, emphasis will shift to offensive missiles and rockets.

There are already indications that the implications of the new defense policy based on the possession of nuclear deterrents will be reflected increasingly in British diplomacy.

Eden clarified to Secretary Dulles at Bangkok the British apprehension that American military aid might disrupt Pakistan's military structure; he asked that Pakistan's tanks and artillery come from entirely British sources. In a further effort to ease the way for Middle East defense planning, the British plan to adhere to the Turkish-Iraqi pact. Eden had earlier told Egyptian premier Nasr in Cairo that the defense of the Middle East should be based on the Caucasus rather than Suez.

Regarding Western Europe, the most critical area for Britain's defense, the British think of the association of

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West Germany with the Western alliance and NATO's decision to use nuclear weapons as advancing the frontier from the Rhine to the Elbe. Eden is determined to secure Bonn's adherence to NATO soon, without French assent if necessary.

Three British airfields in Malaya are being improved to aid in the defense of Southeast Asia. This will make a total of eight airfields in the area capable of supporting sustained jet bomber and fighter operations.

Having decided that general war is unlikely for three or four years, because of American superiority, the British insist that conventional forces will be required during the cold war. For this they are building up a strategic reserve at home which can be flown to any potential trouble spot on very short notice to reinforce overseas garrisons.

In diplomacy, the British are continuing to pursue their aim of piecemeal negotiations with the Communist nations without slackening their efforts to promote Western solidarity and strength.

Although the British have no hope that the Soviet Union is ready to agree to a workable form of disarmament, they are amenable to discussions or conferences with the Communists on this subject, primarily in

order to reassure public opinion that a strenuous effort has been made.

In addition to their diplomatic efforts to prevent any fighting in the Far East, the British remain anxious to obtain firm military commitments from the United States for the defense of Southeast Asia. They have asked for an exchange of military views among the Commonwealth members of the Manila pact and the United States.

The Conservative government's strong presentation of its new defense policy has been well received by the British public. The Labor Party's official position reflects basic agreement that it is necessary to proceed with the manufacture of the H-bomb. Opposition criticism during the parliamentary debate on 1 and 2 March was limited largely to charges that the government has failed thus far to achieve satisfactory results in military aircraft production.

The British outlook for the future is not necessarily limited to the vision of a "peace of mutual terror." In the beginning of the nuclear era, "when deterrents may at any time become the parents of disarmament," the British can be expected to persist in the pursuit of limited objectives rather than to aim at a sweeping settlement.

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TURKISH-IRAQI PACT SHAKES MIDDLE EAST

The ratification of the Turkish-Iraqi defense pact on 26 February has split the Arab League. Egypt and Saudi Arabia are attempting to preserve their claims to Arab leadership by creating a new

Arab collective security arrangement, while Turkey has made it clear that it will take a more direct interest in Arab affairs than it has in past.

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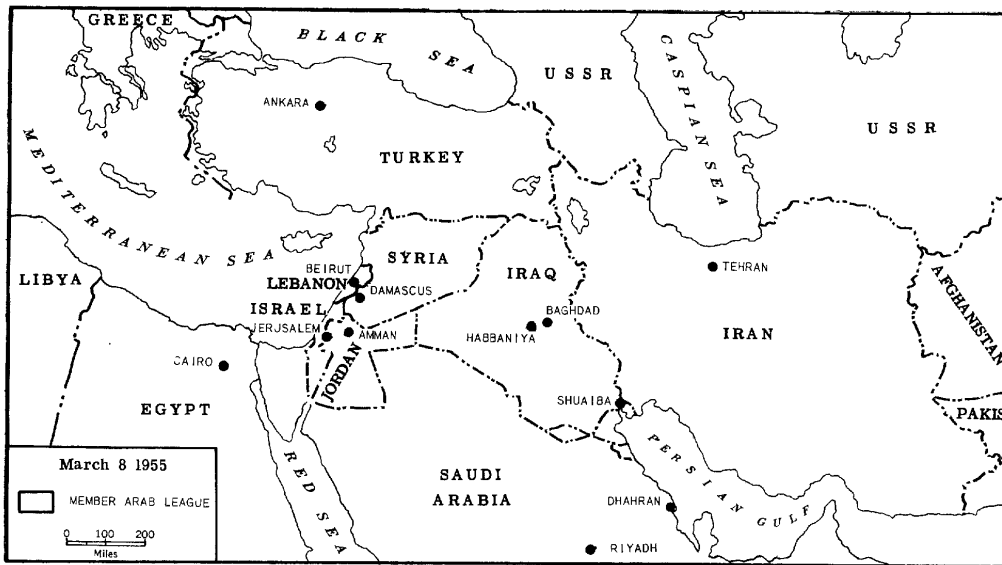
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Britain has been the most immediate beneficiary of the Turkish-Iraqi pact. Although London was initially cool to the "northern tier" concept of Middle East defense, the British are using the pact as an umbrella under which they are negotiating successfully for continuation of their base rights and military interests in Iraq. A new agreement, replacing the Anglo-Iraqi treaty of 1930, will be within

fact, never gone beyond the planning stage.

Salah Salim, Egypt's minister of national guidance, visited Damascus during the first week of March. He succeeded in obtaining from the neutralist Syrian cabinet agreement to a statement of objectives to be secured by a new pact among these two countries plus Saudi Arabia, Jordan and Lebanon. The



the framework of the pact, which Britain is expected to join in the near future.

The most immediate losers are Egypt and Saudi Arabia, who see in the pact a diminution in their influence over the other Arab states and in their bargaining position vis-a-vis the West. Having failed in their campaign to prevent Iraqi ratification, Cairo and Riyadh have turned to the creation of a new Arab collective security arrangement to replace the Arab League Collective Security Pact, which the Egyptians claim lapsed with Iraq's "desertion." The Arab League pact had, in

Saudis adhered to this statement on 5 March, but neither Lebanon nor Jordan yet appears willing to commit itself to even this mere paper project.

While the Egyptians and Saudis will continue to agitate the issue, no permanent alignment of any consequence is likely to result. Their agitation, however, makes it unlikely that any other Arab state will align itself with Turkey and Iraq soon.

For Turkey, the pact with Iraq represents a definite accomplishment. Having broken the Arab front, the

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Turks will continue to press for the adherence of other states, especially Syria, in spite of Egypt's efforts. The Turks also have Iranian participation as a long-range objective.

The struggle for influence and the potential re-alignments resulting from the Turkish initiative have also disturbed France and Israel. France has sensed that it was given minimum information on Turkish-Iraqi negotiations and that it might be excluded from the pact.

Paris has adopted an antagonistic line, seeing in the pact a step toward Iraqi-Syrian union, a development which it opposes, fearing the loss of its economic and cultural "special position" in Syria. Turkey has told the French that their fears are unjustified and that they should halt activities against Syrian adherence.

Israel opposes the pact because Iraq is now likely to receive more arms and because it feels Turkey's formal association with Iraq in support of the United Nations

resolution on Palestine--which would reduce Israel's territory and internationalize Jerusalem--will encourage Arab intransigence.

Israeli premier Sharett stated on 4 March he felt the Turks had been forced to go back on a promise they had made Israel that Turkey would not support in writing Iraq's position on Palestine. To Sharett this indicated Turkish vulnerability to Iraqi pressure and consequently increased danger to Israel.

Despite Israeli fears, the formal linking of Iraq to Western defense plans for the Middle East may be a step toward ultimate settlements in Palestine.

The Egyptian-Saudi attacks on Iraq's adherence to the pact may result eventually in the disintegration of the Arab League, with its program of eternal hostility toward Israel, although the Israeli attack on an Egyptian border post on 28 February has temporarily brought Arab anti-Israeli sentiment back into sharp focus. 25X1

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PLANS FOR REGIONAL BLOC IN SATELLITES

Since the so-called European security conference in Moscow last December, East Germany, Czechoslovakia and Poland have issued declarations suggesting that they will set up some form of regional military staff or planning group within any new Soviet-Satellite defense organization which may be established. Meanwhile the three countries have been actively furthering the development of closer economic co-operation.

Such a regional bloc within the larger defense system would be logical geographically as well as on political grounds.

East Germany and its two eastern neighbors would feel most threatened among the Satellites by a "resurgent militarized" West Germany. The first target of an aggressively irredentist government in Bonn would be East Germany, followed by the disputed Oder-

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Neisse territory now governed by Poland.

Czechoslovakia, having a common border with West Germany--and remembering 1939--would expect to become immediately involved.

Because of their location across and near the North European plain, these three countries also must consider that they would be the Satellites most directly affected in the land warfare of any general conflict in Europe.

Such a grouping further would provide Czechoslovakia and Poland with a certain degree of indirect control over a rearmed East Germany, which they would naturally tend to distrust.

A Polish-Czech-East German bloc would comprise 54 percent of the area of the European Satellite nations and 62 percent of their total population. Their combined armed strength of 700,000 men probably could be expanded to about 1,000,000 in a short time.

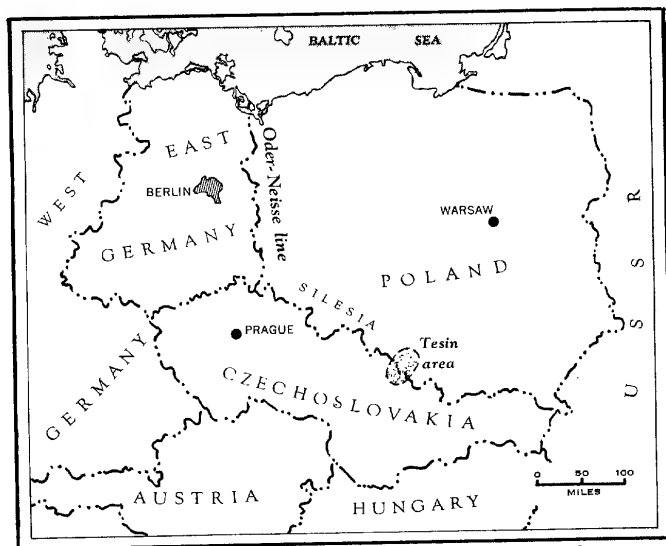
Czech premier Siroky said at the Moscow conference that, in the event of ratification of the Paris agreements, his government considered "emphatic, joint measures" with Poland and East Germany for the safeguarding of their frontiers unavoidable.

A Hungarian representative at the conference voiced support for such an alignment, stating that it was "apposite and necessary" that those three countries which were directly threatened by the revival of German militarism should carry out their own special defense measures apart from common arrangements by all the Satellites.

Parliamentary leaders of East Germany, Czechoslovakia and Poland met in late December at Prague and issued a joint declaration stating that their governments would enter into a joint arrangement if the Paris agreements were ratified.

On 5 March, the foreign ministers of Poland and East Germany issued a communiqué calling for "further extension of co-operation in all spheres" of importance to them and reaffirming their determination jointly to oppose German militarism.

A major legal and psychological obstacle to a tripartite defense arrangement was removed when Poland and Czechoslovakia followed the Soviet Union in declaring that the state of war between their countries and Germany was ended.

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This move placed East Germany on a basis of equality within the triumvirate described on 8 January in an East German newspaper as an alliance in brotherly co-operation balanced against West Germany.

Since the Moscow conference, the three countries have devoted much propaganda to encouraging friendship among their mutually mistrustful peoples.

In the meantime these three most industrially advanced of the Satellites are slowly moving toward greater economic co-operation. This is indicated by such examples as East German and Czech access to Polish ports, the reciprocal use of inland waterways by Poland and East Germany--which began in early December--and planning in certain industrial fields, in addition to the usual trade, cultural

and technical exchange agreements. Closer co-operation may also be achieved in the exploitation of such industrial resources as the Silesian coal fields.

The degree of success which the three countries can attain in future mutual arrangements, particularly of a military nature, will depend on the overcoming of a deep enmity between their peoples--especially the Poles and the Germans, who nurture ill feeling because of the Oder-Neisse boundary. Very few people on either side of the frontier regard this line as a final border.

In Czech-Polish relations, the problem of the disputed Tesin area has not been solved, though the 1947 mutual assistance pact between Prague and Warsaw called for a settlement of all boundary questions within two years.

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ORGANIZATION OF TOP ECHELONS OF THE SOVIET PARTY AND STATE

All members of the Soviet party presidium except Malenkov now have places on either the Presidium of the Council of Ministers or the Presidium of the USSR Supreme Soviet. The top party leaders thus constitute an interlocking directorate of the highest organs of the Soviet party and state.

The party presidium, the Presidium of the USSR Council of Ministers, and the Presidium of the USSR Supreme Soviet all are elements in a single chain of command.

For example, the Presidium of the Council of Ministers is comprised of six members of the party presidium and two

full members and three candidate members of the party presidium are on the Presidium of the Supreme Soviet. Together with the party secretariat, these three bodies are the leading organs of the Soviet state and party apparatus.

Although there are important differences between them in terms of authority and function, the presence of members of the party presidium on each of the others symbolizes and facilitates their unity of action.

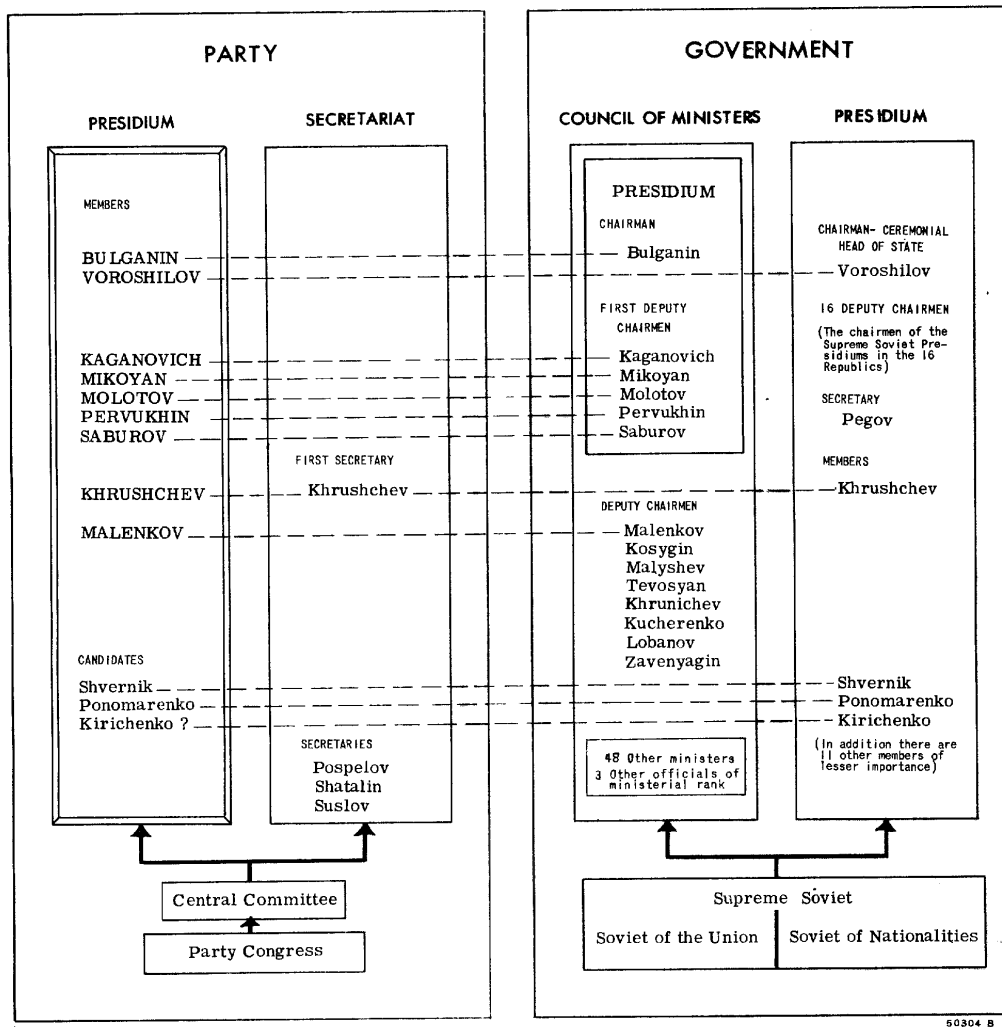
The party presidium, called the Presidium of the Central Committee of the Communist Party of the Soviet

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Union, is unquestionably the most important of the three.

Though nominally subordinate and responsible to the central committee, it is in fact the supreme ruling body of the Soviet Union. Created at the 19th Party Congress in October 1952 to replace the old politburo, its membership has been altered since then through reorganization and attrition.

As originally established, the presidium consisted of 25 members and 11 candidates. It is now composed of nine full

members and probably three candidate members.

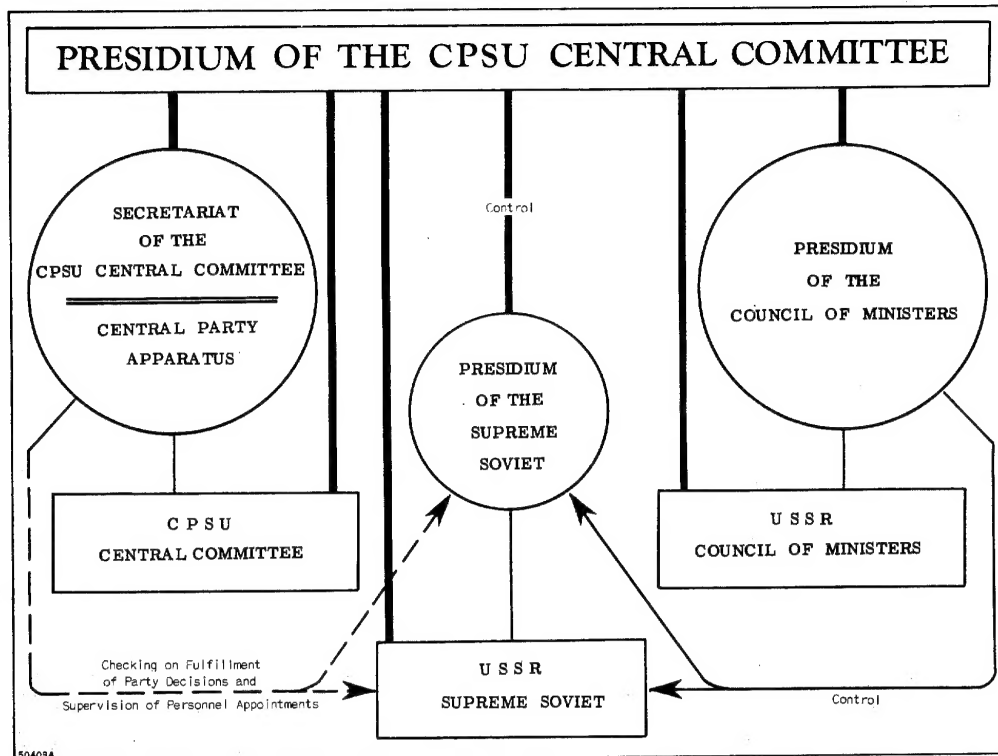
Formally, the party presidium is responsible for the planning and formulation of high-level policy. Actually, however, its powers are considerably broader. Although the party statutes empower it merely "to direct the work of the central committee between plenary sessions," the role of the central committee is, in practice, limited to formal ratification of the presidium's decisions. There has been a tendency since Stalin's death to use the central committee as

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a forum for airing important policy decisions, but the presidium remains the initiator of all the important political, economic, executive and legislative decisions of the USSR.

As Stalin demonstrated, the secretariat, now headed by Khrushchev, can be an important lever of power in the hands of the party leader who controls it.

Nominally a subordinate component of the central committee, it serves as an administrative adjunct of the party presidium, responsible for checking on fulfillment of party decisions and for supervision of personnel appointments. It presumably also serves as an information-gathering agency for the presidium. Judiciously exercised, these responsibilities bring

the party secretary many political advantages.

The Presidium of the USSR Council of Ministers is currently composed of the chairman of the council and five first deputy chairmen.

With the appointment of Mikoyan, Pervukhin and Saburov, this body now includes every party presidium member on the Council of Ministers except Malenkov.

The members of this presidium, which is the directing core of the 65-member cabinet, presumably have supraministerial responsibility for broad areas within the governmental sphere.

While constitutionally accountable to the USSR Supreme Soviet and its Presidium, the Presidium of the

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Council of Ministers is, in reality, the highest executive agency of the government. It is secondary in prestige and authority, however, to the party presidium and is primarily concerned with the implementation, through the governmental apparatus, of the decisions of that body. It can best be described as the transmission belt between the party presidium and the organs of government.

The party presidium members who comprise the Presidium of the Council of Ministers can be viewed as serving in the latter posts in their capabilities as economic and planning specialists rather than as policy makers.

The Presidium of the USSR Supreme Soviet, described by Stalin as the "collective president" of the USSR, has many functions but no real power. Its chairman is the titular head of the Soviet

state. Each of its 16 deputy chairmen is the chairman of the Presidium of the Supreme Soviet of one of the 16 union-republics; it also has a secretary and 15 members.

The Presidium of the Supreme Soviet, which is nominally appointed by, and answerable to, the parent body, is empowered to exercise the functions of the Supreme Soviet between sessions. Many of these functions are purely formal.

The Presidium, for example, convenes and dissolves sessions of the Supreme Soviet, exercises the right of pardon, ratifies treaties, and is authorized to declare war in the intervals between Supreme Soviet sessions.

It also issues decrees appointing and removing members of the Council of Ministers and the Supreme Court, and setting forth major legislation for the Soviet state.

TOP PARTY AND GOVERNMENT BODIES OF THE USSR

	PARTY PRESIDUM	PARTY SECRETARIAT (Secretariat of the CPSU Central Committee)	PRESIDIUM OF THE COUNCIL OF MINISTERS	PRESIDIUM OF THE USSR SUPREME SOVIET
FORMAL FUNCTIONS	Acts for party's central committee between plenary sessions.	Verifies fulfillment of party decisions by party, government and other organs. Supervises selection of personnel in all fields.	Not legally defined.	Acts for Supreme Soviet between sessions: a. issues decrees appointing and removing members of Council of Ministers and Supreme Court. b. issues decrees setting forth major legislation. Performs ceremonial functions of Soviet state: a. receives credentials of foreign envoys. b. bestows honorary awards. Receives complaints and petitions.
ACTUAL FUNCTIONS	Decides over-all policy for Soviet state. Collective dictator of the Soviet Union.	Same as above. Gathers information for party presidium.	"Inner circle" of the Council of Ministers. Implements policy of party presidium.	Has no policy-making powers. Serves as legislative instrument of the party presidium and Council of Ministers.
COMPOSITION	Members - 9 at present Candidate members - 3 at present.	First secretary Secretaries - 3 at present.	Chairman of the Council of Ministers. First deputy chairmen of Council of Ministers - 5 at present.	Chairman 16 deputy chairmen Secretary 15 members
HOW CHOSEN	Formally elected by the central committee. Actually constituted by the top leaders of the party through co-option.	Formally elected by central committee. Actually chosen by top leaders of party.	Formally elected by the Supreme Soviet or its Presidium. Actually chosen by the party presidium.	Formally elected by Supreme Soviet. Actually chosen by party presidium.

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In these cases, however, it is merely acting as the agent of the party presidium or the Council of Ministers.

Another function of this body is to serve as a clearing-house for various petitions and complaints originating with private citizens. In performing this function, it

serves as an avenue of liaison between the Soviet people and the Soviet bureaucracy.

In essence, however, it is merely one part of the democratic facade, behind which more important bodies formulate and implement the policies of the Soviet Union.

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CURRENT WFTU ACTIVITIES

The Communists, seeking to work out a strategy for united action with non-Communist elements, have increased their efforts in the field of labor. The policy of united action, as it is now being employed in Europe to consolidate antirearmament sentiment against West German rearmament, was used on various issues in the late 1930's perhaps most notably in the case of the threat of fascism.

The Communist-controlled World Federation of Trade Unions (WFTU) has become one of the main instruments of this strategy. Founded in 1945 as a genuine trade union international, the WFTU became so dominated by Communist political ideology that in 1949 the labor organizations of the United States, Great Britain, and the Netherlands withdrew their support and formed their own organization, the International Confederation of Trade Unions (ICTU).

The membership of 80,000,000 workers claimed by the WFTU gives an exaggerated measure of its strength, since 64,000,000 are in Communist countries where the WFTU enjoys a monopoly and membership is virtually compulsory. The two largest non-Orbit

components--those in France and Italy--total about 5,000,000 members, though Communist claims go as high as 10,000,000.

The "unity of action" policy adopted at the 19th Party Congress of the Soviet Communist Party in October 1952 was adapted to the field of labor at the Third World Trade Union Congress of the WFTU in October 1953. The tactic calls for subordination of revolutionary agitation based on purely political issues to the achievement of "de facto" unity with non-Communists on specific points such as higher wages, social security, tax reform and price reductions.

The Seventh General Council meeting of the WFTU in Warsaw last December approved a Charter of Trade Union Rights listing some 25 points championing "workers' rights." At that meeting, Secretary General Saillant voiced WFTU support for unions--irrespective of their affiliations--which promoted policies as set forth in the WFTU's charter.

He advocated also that other classes, including peasants, professional men and

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other middle-class groups, be brought into the struggle.

The charter was to be sent to the ICFTU, the Christian Trade Union and United Nations agencies, in line with WFTU desires to recruit workers from the free trade unions and isolate their leaders.

In Europe, Communist labor leaders have been pointing to economic losses which labor allegedly will suffer as a result of German remilitarization.

Local Communist party support of the WFTU's united action campaign has been evident in France, Belgium, West Germany and Austria.

Approaches to the predominantly neutralist sentiments of non-Communist labor in Asia are being made by the Chinese Communist All-China Federation of Trade Unions (ACFTU). One of these approaches is an attempt to establish an Asian Trade Union Congress.

The Communists hope that such an organization would be able to support Communist propaganda without acquiring the more positive pro-Communist aspect implied by adherence to the WFTU.

Asian trade union leaders have not been enthusiastic, however. They question the need for such an organization, realizing the potential danger of domination of the Asian labor movement by Peiping. The ACFTU is represented on the Asian Bureau of the WFTU, but the organizational relationship that would exist should such a congress be established is not clear.

In January the Second Congress of the All-Indonesia Trade Unions (SOBSI), which in 1953 became an affiliate of the WFTU, enunciated a plan to fulfill the WFTU program of "developing workers' united actions on a national as well as international level."

Overtures by the WFTU in attempts to ingratiate itself and its ideological concepts with non-Communist labor have increased appreciably since the Third Trade Union Congress. Most evidence, however, points to the conclusion that WFTU effectiveness lies mainly in its capacity as a propaganda agency rather than in the achievement of its purported goal to "organize and unite within its ranks the trade unions of the whole world."

A European trade union congress, scheduled for March and planned as a major feature of the campaign against German rearmament, was ostensibly "originated" by West German Social Democratic trade unions for the purpose of enlisting ICFTU and WFTU support. In fact, however, the WFTU is the mainspring behind it.

Publicly trying to bring labor into the increased tempo of general agitation against West German rearmament, the WFTU has called on all workers "regardless of their international affiliation" to celebrate 10 March as an "International Fighting Day against the Paris Agreements and the Re-establishment of German Militarism."

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